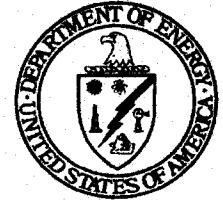





Department of Energy
National Nuclear Security Administration
Service Center
P. O. Box 5400
Albuquerque, NM 87185



June 29, 2006

MEMORANDUM FOR: Mark A. Padilla, Pantex Site Office

FROM: 
Timothy J. Harmeson, Acting Department Manager, BRMD, NNSA
SC

SUBJECT: Funding Determination on General Plant Projects

This memorandum is in response to your request for a funding determination on; 1) the proper source of funding, capital or operating expense for the initial complement of furnishings for a General Plant Project (GPP), and 2) whether the GPP threshold is applicable to only the capitalized portion or if it includes the expense portion of the project. We have based our response on the information contained in the *DOE Accounting Handbook*, Chapter 10; DOE O 430.1B, *Real Property Asset Management*, and *DOE's Budget Formulation Handbook*.

1. The proper source of funding for the initial complement of furnishings for a GPP depends on what was identified in the project's Total Estimated Costs (TEC).
2. The GPP threshold applies to the project's TEC costs. TEC are capital expenses funded and charged in Object Class 32002.

In Pantex's memo they quote the first sentence from DOE O 430.1B.4c(1) while not referring to the equally controlling second sentence. Both sentences read as follows:

"Acquisition of real property assets up to \$5 million will be accomplished as General Plant Projects (GPPs). GPPs are miscellaneous minor new construction projects of a general nature, the Total Estimated Costs of which may not exceed the Congressionally established limit of \$5 million."

At the heart of both funding determination requests are the definitions associated with the terms of TEC in the DOE Order and "project useable" in the Accounting Handbook. This determination clarifies both the TEC definition and the project useable portion language of the Accounting Handbook.

In our previous funding determination on GPP at Pantex we stated that; “The determination of what is considered to make a project usable is based on the project when it is approved.” We continue to affirm that there has always been some discretion for federal project managers on what, outside of equipment included in the real property definition, to include in a particular project. The decision to include removable furniture and fixtures in a project’s TEC scope is a decision that falls within that discretion.

If we receive additional clarification or changes in relevant guidance or authority we will be willing to revisit this issue. If you have any questions regarding this review, please call me or call Ron Sissel at (505) 845-4858.

cc:

Dennis Martinez, OFFFM

Becky Tracy, PSO

Jim Nicholas, BRMD

Ron Sissel, BRMD

W. Ragan Rodgers, BWXT, Pantex

Finnis Hughes, BWXT, Pantex